SIGNAL HILL PETROLEUM

March 3, 2016

Department of Conservation
801 K Street, MS 24-02
Sacramento, CA 95814
ATTN: UIC Discussion Draft

RE: Signal Hill Petroleum, Inc. Submittal of Comments
Pre-Rulemaking Public Comment Period on Updates to Underground Injection Control Regulations

This statement is being submitted to the Department of Conservation pursuant to the request for public comment on the updates to the Underground Injection Control (UIC) regulations. In summary, Signal Hill Petroleum believes that the current UIC regulations have successfully regulated injection wells in California for over 30 years. However, the regulations could be updated to reflect current operating conditions in urban environments and technology advancements. Detailed below are our specific comments on sections of the draft regulations.

Rule Language	Proposed Revision	Comment
1724.7(a)(1)(E)(i) At a minimum, the casing diagrams must demonstrate that: Plugged and abandoned wells have cement across all perforations and extending at least 500 ft, if shown by calculation, or 100 feet, if shown by cement bond log or other method approved by the Division, above the highest of the top of a landed liner, the uppermost perforations, the casing cementing point, the water shutoff holes, the intended zone of injection, or the oil and gas zone;	1724.7(a)(1)(E)(i) At a minimum, the casing diagrams must demonstrate that: Plugged and abandoned wells have cement across all perforations and extending at least ~~500 ft, if shown by calculation, or~~ 100 feet~~, if shown by cement bond log or other method approved by the Division,~~ above the highest of ~~the top of a landed liner,~~ the uppermost perforations, ~~the casing cementing point, the water shutoff holes,~~ or the intended zone of injection, or the oil and gas zone;	500 ft is a significant increase from 100 ft and is excessive. Most cement jobs are programmed with excess to ensure coverage by at least 100 ft.
1724.7(a)(1)(E)(ii) At a minimum, the casing diagrams must	Delete	This section conflicts with 14 CCR 3206 (Idle Well Management Plans).

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demonstrate that: Wells that are not plugged and abandoned and that have not been used for injection or production for more than two years have cement plugs across all hydrocarbon zones, the base of the USDW interface, and the base of the freshwater interface.		In addition, wells are left idle due to economic reasons with plans to return them to production/injection when the economics improve.
1724.7.1(a)(1) Casing diagrams shall include all of the following data:	1724.7.1(a)(1) Casing diagrams shall include all of the following data, if available:	Data is very limited for older wells. Information regarding the fluid between plugs, type of cement slurry, etc. are not available and are not captured in histories.
1724.7.1(a)(3) Casing diagrams for directionally drilled wells, shall include a wellbore path giving both inclination and azimuth measurements.	Delete	Directional surveys are on file with the Division for all drilled wells.
1724.7.3(a) Step rate tests conducted under Section 1724.7(a)(4) shall adhere to the following requirements:		Section should include language that allows for other approved methods for determining the fracture gradient. The current approved method is not urban friendly due to the noise and length of the test.
1724.10(d) A chemical analysis of the fluid being injected, as specified in Section 1724.7.2, shall be made and filed with the Division at least once every two years, whenever the source of injection fluid is changed or an additional source is introduced and as requested by the Division.	1724.10.(d) A chemical analysis of the fluid being injected, as specified in Section 1724.7.2, shall be made and filed with the Division at least once every ~~two~~ five years, whenever the source of injection fluid is changed or an additional source is introduced and as requested by the Division.	Water testing every 2 years is excessive given the cost for the tests to be performed.
1724.10(e) An accurate, operating injection pressure gauge or pressure recording device shall be installed whenever a well is injecting.	1724.10(e) An accurate, permanent or removable, operating injection pressure gauge or pressure recording device shall be installed whenever a well is injecting.	In the urban environment, gauges are vandalized or stolen regularly. Our injections are checked twice daily with a removable, calibrated gauge.
1724.7.10(j)(1) Prior to commencing injection operations, each injection well must pass a pressure test of the casing to determine the absence of leaks. Thereafter, the casing of each well must be tested at least once every five years; or whenever requested by the appropriate Division district deputy. The casing shall be tested to the maximum allowable surface pressure, or 200 psi, whichever is greater. With	1724.7.10(j)(1) Prior to commencing injection operations, each injection well must pass a pressure test of the casing to determine the absence of leaks. Thereafter, the casing of each well must be tested at least once every five years; or whenever requested by the appropriate Division district deputy. The casing shall be tested to the maximum allowable surface pressure, or 200 psi, whichever is greater. With	

approval from the Division, casing may be tested at a lower pressure, provided that there is a corresponding reduction of the maximum allowable surface pressure for the injection well. Pressure testing is required even if the well is no longer an active injection well, unless the well is no longer approved for injection and it is producing oil or gas.	approval from the Division, casing may be tested at a lower pressure, provided that there is a corresponding reduction of the maximum allowable surface pressure for the injection well or the well is equipped with monitoring equipment. Pressure testing is required even if the well is no longer an active injection well, unless the well is no longer approved for injection and it is producing oil or gas.	
1724.10.1(b)(3) The well must be logged from the surface downward, lowering the tool at a rate of no more than 30 feet per minute.	1724.10.1(b)(3) The well must be logged from the surface downward, lowering the tool at a rate of ~~no more than 30~~ 50 – 100 feet per minute, dependent on wellbore conditions.	Increasing the rate to 50 – 100 ft/min does not impact the data quality and allows for logging to be less intrusive to our urban neighbors.

Yours truly,

David L. Slater
Executive Vice-President
Signal Hill Petroleum, Inc.

cc: File (SHP)